GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:886
ANSWERED ON:28.04.2016
Financial Condition of Distribution Companies
Rathwa Shri Ramsinh Patalyabhai

Will the Minister of POWER be pleased to state:

(a) whether the Government has taken any initiatives to make State distribution companies financially viable and much better without stressing the consumers and business houses;

(b) if so, the details in this regard;

(c) whether Tamil Nadu Generation and Distribution Corporation Ltd. (TNGDC) has a burden of more than Rs. 80,000 crores and has deficiencies in financial management implementation of power projects and its operation and is not releasing payments to vendors for procurement of energy meter, if so, the details therefor; and

(d) the steps taken/proposed to be taken by the Government in this regard to ensure that all commitments of payment are fulfilled?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL AND NEW & RENEWABLE ENERGY

(SHRI PIYUSH GOYAL)

(a) & (b) : The Government of India has launched a scheme Ujwal DISCOM Assurance Yojana (UDAY) on 20-11-2015 for the operational and financial turnaround of State owned Power Distribution Companies (DISCOMs). The scheme aims to reduce interest burden, reduce the cost of power, reduce power losses in Distribution sector and improve operational efficiency of DISCOMs.

The scheme incentivizes the States by exempting State takeover of DISCOM debts from Fiscal Responsibility and Budget Management (FRBM) limits for two years; increased supply of domestic coal; coal linkage rationalization; liberally allowing coal swaps from inefficient to efficient plants; allocation of coal linkages to States at notified prices and additional/priority funding in schemes of Ministry of Power (MoP) and Ministry of New and Renewable Energy (MNRE), if they meet the operational milestones in the scheme.

(c) : The total outstanding debt, as informed by Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO), is Rs 81,782 Crores. Interest payments accounting for more than 60% of the losses in the year 2014-15 indicates the financial stress in TANGEDCO. Complaints have been received regarding non payment of Energy meters supplied by Capitol Power Systems Limited, NOIDA to TANGEDCO. The same has been forwarded to TANGEDCO for necessary action.

(d) : UDAY has been launched by the Government of India to reduce the financial liabilities of DISCOMS. The State Government of Tamil Nadu has not joined UDAY despite a high amount of debt liabilities.

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